

Message Text

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66

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 FRB-02

INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 NSC-10 SS-14 STR-08

CEA-02 PA-03 PRS-01 USIA-12 RSR-01 /150 W

----- 093251

R 191757 Z MAR 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 3956

UNCLAS BONN 4016

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/ A

TAGS: EFIN, GW

SUBJECT: GERMAN FOREIGN EXCHANGE MARKET ON MARCH 19

1. THE BUNDESBANK TELLS US THAT SPOT DOLLARS OPENED VERY FIRM (AT DM 2.8450 - 2.8550) ON GERMAN FOREIGN EXCHANGE MARKETS ON MARCH 19. BY 11:30 A. M., THEY HAD FALLEN TO DM 2.810 - 2.8215, BUT THEY STRENGTHENED AGAIN THEREAFTER RISING TO DM 2.8210 AT THE FIRST OFFICIAL FIXING AFTER THE CLOSURE OF EXCHANGE MARKETS. IN THE AFTERNOON THEY INCREASED FURTHER TO DM 2.8330 - 2.8350 AT ABOUT 2:30.

2. FORWARD DOLLAR DISCOUNTS REMAINED HIGH. AT ABOUT 2:30 P. M. THEY WERE AT ABOUT 12 PERCENT FOR ONE- MONTH MATURITIES AND AT 8.9 PERCENT FOR THREE- MONTH MATURITIES AS COMPARED WITH 13.8 PERCENT AND 9.0 PERCENT, RESPECTIVELY, ON MARCH 16.

3. THE BUNDESBANK HAS NOW FIXED UPPER AND LOWER INTERVENTION POINTS FOR THESE CURRENCIES WHICH ARE INCLUDED IN THE JOINT FLOAT. THEY ARE AS FOLLOWS:

100 FFR - DM 62.55; DM 59.80

100 HFL - DM 98.62; DM 94.28

100 BFR - DM 7.14; DM 6.826

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100 DKR - DM 45.845; DM 43.825

100 NKR - DM 48.15; DM 46.035

100 SKR - DM 63.155; DM 60.375.

4. THE DEUTSCHEMARK OPENED WEAK AGAINST THE OTHER CURRENCIES OF THE JOINT FLOAT. IN THE COURSE OF THE DAY IT WEAKENED FURTHER, AND THE BUNDESBANK HAD TO SELL SMALL AMOUNTS OF BELGIAN FRANCS AND SWEDISH CROWNS SINCE THEIR UPPER INTERVENTION POINTS WERE REACHED.
HILLENBRAND

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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